



PROPERTY MANAGEMENT AGREEMENT

2023

www.DelValProperty.com

Del Val Realty & Property Management

Property Management Agreement Checklist

- **Please read the entire agreement carefully** and, if needed, ask questions, and sign the bottom of Page 7.
- **Review Section 16** (Page 7) and let us know your desired initial rent amount, pet policy, yard maintenance, and condominium fees, if applicable.
- Review **Schedule A** (Page 8) and add your ownership entity, contact info, social security (or EIN), mailing address, and property addresses(es).
- Review **Schedule B** (Page 9) and choose a property management plan.
- Complete **Schedule C** (Page 10) (Direct Deposit Form).
- Read about our **Owner Benefit Program** (Page 11) and all the benefits and financial protections this program offers our owners.
- Include a check for \$200 to **Del Val Realty & Property Management**.
- Provided us with the following, if available:
 - Rental and Business licenses;
 - Existing leases and addendums;
 - Tenant ledger with 12 months' payment history and any outstanding amounts owed; and
 - Three (3) sets of keys.
- Complete via DocuSign or mail to us

Del Val Realty & Property Management
49 E Lancaster Avenue
Suite 300
Malvern, PA 19355

EXCLUSIVE LISTING TO RENT AND MANAGE REAL PROPERTY

This is intended to be a Legally Binding Agreement. **READ IT CAREFULLY.**

THIS AGREEMENT TO RENT / MANAGE PROPERTY ("**Agreement**") by and between **OWNER** and **AGENT**.

1. **Appointment of AGENT** OWNER hereby contracts with and appoints AGENT, the **sole and exclusive** managing AGENT, to rent, manage, and operate each Property indicated in Schedule A upon the conditions, terms, and compensation as set forth herein. This Agreement shall commence on the Commencement Date indicated on Schedule A. It is understood and agreed that the AGENT is the sole procuring cause of any lease negotiated during this Agreement, even if the OWNER may have negotiated it directly or indirectly.
2. **Acceptance of Appointment** AGENT hereby accepts appointment as set forth in Paragraph 1 and agrees to use their **best efforts** to perform all services for the renting, care, protection, maintenance, and operation of the Property, including the following:
 - a) **ADVERTISING:** Placement of electronic advertisements promoting the availability of rental.
 - b) **LEASES:** AGENT shall use its **best efforts** to keep the Property rented by procuring tenants for the Property and negotiating and executing all leases for the Property on behalf of OWNER. The AGENT shall be responsible for establishing the terms and conditions for all leases, including but not limited to approving applications, establishing rents, deposits, other fees, and lease terms and conditions. AGENT is not required to present all offers to lease.
 - c) **TENANT DEPOSITS:** AGENT shall establish, collect, hold, and disburse tenant security deposit(s) on behalf of the OWNER in accordance with the Landlord-Tenant Act of the Commonwealth of Pennsylvania and any applicable local laws, regulations, or ordinances. AGENT may offer tenants an alternative to traditional security deposits provided by Obilgo.com or a similar service via our **ZeroDeposit Program**.
 - d) **RENT COLLECTIONS:** Collect and monitor rental payments by tenants, provided that nothing herein shall constitute a guarantee by AGENT for the payment of rent by tenants. AGENT shall promptly advise OWNER of any delinquency in the rent payment or any other default by the tenant under the lease terms and consult with OWNER regarding the appropriate action to be taken.
 - e) **MONTHLY REPORTS:** Provide monthly reports listing all income and expenses and necessary documentation for tax purposes. Copies of all bills will be available via our property management software.
 - f) **REVIEWS:** Visit the Property periodically to determine that the Property is in good order.
 - g) **MAINTENANCE:** AGENT will perform, coordinate, and facilitate all maintenance service requests from tenants where we use a combination of a related party maintenance company called Del Val Maintenance, LLC and a variety of screened independent contractors that give OWNER and OWNER'S property both quality work at reasonable prices and quick turnaround. The AGENT will not spend more than the **Authorized Repair Limit** of \$500 for any repair, maintenance item, or alterations without consent from OWNER unless the repair is deemed required by AGENT for any life safety issue.
 - h) **LAWS & REGULATIONS:** Comply with the spirit and the letter of all laws, regulations, and public programs regarding equal housing.
 - i) **AGENT's ROLE:** AGENT is acting as OWNER's Agent, as described in the Consumer Notice. AGENT's rental agents, salespeople, employees, and owners act as Agents only and will not be legally responsible for damages or repairs to the Property, fines or penalties related to the property, or for a tenant's failure to meet the lease terms.

3. OWNER's Responsibilities OWNER shall be responsible for the following:

- a) **FUNDS ON ACCOUNT:** OWNER will maintain Funds on Account in the AGENT's account as indicated in Schedule A. AGENT has the authority to withdraw such funds to pay AGENT's fees, repairs, utility costs, and other property charges against the fund. The OWNER will deposit sums as necessary to maintain the Funds on Account as agreed within five (5) days of being requested to do so by AGENT. If OWNER does not deposit funds requested within ten days, AGENT shall charge OWNER a fee equal to .5% of the outstanding balance each month such funds are negative. **Excess funds will be electronically transferred to OWNER on or about the 10th and 20th of each month.**
- b) **EXISTING TENANTS:** For existing tenants, OWNER will provide AGENT with a copy of any lease and a set of keys to the Property and will notify the tenant that AGENT is authorized to act on behalf of the OWNER.
- c) **INSURANCE:** OWNER assumes all responsibility for obtaining and maintaining all Property and casualty insurance. **OWNER agrees to maintain a Landlord Insurance Policy on the Property, including public liability insurance of at least \$500,000, and will name AGENT as an additional insured.**
- d) **HOLD HARMLESS:** OWNER agrees to hold harmless, indemnify and defend AGENT from all **suits, damages, claims of any nature or any kind arising in connection with AGENT's management of the Property or OWNER's ownership and from any liability for injuries suffered by any person while in the Property or on the premises upon which the Property is located.**
- e) **RENTAL LICENSES:** OWNER is required to provide AGENT with a copy of current and future rental and business licenses if required by your local township or city.
- f) **SMOKE AND CO DETECTORS:** Pennsylvania law requires installing smoke and carbon monoxide detectors in all rental properties. These devices will be checked, and fresh batteries will be installed or replaced each time a new tenant occupies the property at the OWNER's expense.
- g) **LOCKS:** Locks will be rekeyed each time a new tenant occupies the property at the OWNER's expense.
- h) **NORMAL WEAR AND TEAR:** The OWNER understands that some "wear and tear" expenses will occur and that these costs cannot be charged to a Tenant, and OWNER will incur these expenses. Upon renting, the law recognizes the property as a business and requires OWNER to expect some expenses for cleaning and maintenance as "normal wear and tear" while operating a rental property.
- i) **SERVICE ANIMALS:** OWNER understands that state and federal law governs "service animals" and "emotional support animals," and these animals are NOT legally considered pets, and therefore pet policies do not apply.
- j) **PEST SERVICES:** OWNER is responsible for pest service for the first thirty (30) days of all new leases, and tenants are solely responsible for all pest removal following the first thirty (30) days.
- k) **ATTORNEYS:** AGENT shall have the authority to hire attorneys and collection agencies at OWNER's expense to protect the OWNER's interest.

4. Compensation AGENT shall be compensated upon the following basis:

- a) **LEASING:** OWNER shall pay AGENT a **Leasing Fee** as indicated on Schedule B for each new lease procured by AGENT. The Leasing Fee is to be paid upon receipt of funds from the Tenant and a signed lease. If the OWNER provides a Tenant to AGENT for qualification and subsequent lease, the Leasing Fee paid by the OWNER will be fifty percent (50%) of the **Leasing Fee**. There is no Leasing Fee if an existing Tenant is in place when AGENT assumes management responsibilities.

12-Month Lease Guarantee – *Del Val guarantees that if a tenant we place in your property leaves during the first 12 months, AGENT will market and find a new tenant at no charge! (Not available with the “Silver - Lease Only” Plan)*

- b) **LEASE RENEWAL:** OWNER shall pay AGENT a **Lease Renewal Fee** as indicated on Schedule B for each negotiation and renewal of an existing lease. If OWNER wants AGENT to refrain from performing a lease renewal, OWNER must notify AGENT in writing at least 120 days prior to the lease expiration.
- c) **MANAGEMENT:** OWNER shall pay AGENT a **Monthly Management Fee** as indicated on Schedule B and 50% of all late fees and pet rent and 100% of all returned check charges, NTQ charges, and other administrative charges payable by the Tenant. Funds collected from the tenant each month shall be first applied towards late fees, returned check charges, NTQ charges, other administrative charges, then past rent, and finally, current rent.
- d) **SALE TO EXISTING TENANT:** If AGENT places a Tenant and the Tenant buys the Property during the term of this agreement, or within 12 months after its termination, AGENT shall receive an **Existing Tenant Sales Fee** equal to four and a half percent (4.5%) of the gross sale price or \$4,500, whichever is greater.
- e) **SALE OF PROPERTY:** AGENT is available to sell the Property for OWNER; however, OWNER may list the Property for sale “by owner” or with another broker. OWNER does, however, agree to refrain from listing the Property for sale during the term of this Agreement without notifying AGENT in writing at least 30 days in advance. If the OWNER sells their property during the term of this Agreement, OWNER is responsible for turning off or canceling all utility or other service contracts performed at the property and shall pay AGENT monthly management fee for a period of sixty (60) days after closing to close down the account and perform post-sale activities.
- f) **MAINTENANCE FEE:** If OWNER requires any maintenance, construction, or remodeling of the Property and AGENT is responsible for supervising bidding, completion, and/or inspection of such work, then AGENT's compensation shall be reasonable and customary charges for work of this nature.
- g) **CODE:** If OWNER requires AGENT to negotiate with any government authority regarding Property taxes, code violations, or other legal matters, OWNER shall pay AGENT an hourly rate of \$100 per hour.
- h) **EVICTON COORDINATION FEE:** If OWNER requires AGENT to assist and participate in an eviction filing and hearing, including time to file, prepare for, and participate in court hearings, OWNER shall pay AGENT at an **Eviction Coordination Fee** of \$1,000 in the City of Philadelphia or \$700 outside of Philadelphia. This does not include time to attend and/or prepare for any appeals or further court action past the initial landlord Tenant action, which will be billed at \$100 per hour.
- i) **HOME WARRANTY:** If OWNER requires AGENT to negotiate with any home warranty program, OWNER shall pay AGENT an hourly rate of \$100 per hour.
- j) **NEW ACCOUNT SETUP FEE:** OWNER shall pay a one-time \$200 new account set up fee upon becoming a new client of AGENT.
- k) **TECHNOLOGY FEE:** OWNER shall **pay \$10.00 per month** to cover administrative costs, including charges for wire transfers to the owner and from the tenant(s), software costs, and other minor administrative costs.
- l) **AGENT NOT REQUIRED TO ADVANCE FUNDS:** AGENT shall have no obligation to advance funds to the OWNER for any purpose whatsoever. Any funds advanced to the OWNER by AGENT shall be repaid to AGENT immediately from the OWNER's funds. Any sums due AGENT under any provision of this Agreement, and not paid within five (5) days after such sums have become due, shall bear interest at the rate of .5% per month.

5. **Terms of Agreement:** Under the **Gold or Platinum Plan**, this Agreement continues in effect until the AGENT terminates the Agreement upon thirty (30) days' written notice to the OWNER or the OWNER terminates the Agreement by thirty (30) days' written notice to the AGENT.

90-Day Better Than 100% Guarantee -- Notwithstanding the above, if the OWNER terminates within the first ninety (90) days for any reason, all Monthly Management Fees earned will be returned to OWNER plus an additional \$500.

The parties understand and agree that the AGENT may withhold funds for thirty 30 days after the end of the month in which the Agreement is terminated to pay bills previously incurred but not yet invoiced to close accounts, and to provide an accounting of the bills and accounts to the OWNER. Any outstanding balances shall remain the liability of the OWNER(s), and OWNER(s) duty to pay any such expenses shall survive termination of this Agreement.

This Agreement may be terminated by AGENT upon 48 hours' notice to OWNER if, in AGENT's sole judgment, OWNER fails to keep the Property in a habitable condition as required under any law or governmental rule, or in AGENT's sole opinion, or OWNER attempts to discriminate unlawfully, or the Property condition or use violates applicable law.

6. **Dispute Resolution and Attorney's Fees.** If a dispute arises out of this Agreement, both parties will meet to resolve it. If an agreement is not reached at this meeting, a party may employ the American Arbitration Association, or any other arbitration panel mutually agreed upon by the parties to arbitrate the dispute. The arbitration results are binding upon both parties, and the arbitrator is authorized to file the decision in the applicable court of jurisdiction. The arbitrator will award the prevailing party reasonable attorney's fees and costs.
7. **Dual Agency.** OWNER agrees that AGENT may also represent the tenant/buyer(s) of the Property. AGENT is a DUAL AGENT when representing both OWNER and the tenant/buyer in the lease or sale of a Property.
8. **Financial Institution Deposit.** Funds under AGENT's control requested by OWNER to be sent directly to a financial institution must provide their bank routing and account number.
9. **Notice.** All notices should be sent to the OWNER at the OWNER's Notice Address indicated on Schedule A and to the AGENT at the AGENT's Notice Address told on Schedule A. Either party may notify the other in writing of any changes to this notice address. All terms and conditions of this agreement are subject to change by AGENT, with a 30-day notice to OWNER.
10. **Authorized.** OWNER warrants that OWNER is the sole OWNER of the Property or has authority to execute this Agreement on behalf of any co-OWNER and that the Property is not subject to legal proceedings for foreclosure. Any OWNER shall have the authority to take action and enter into further agreements with AGENT on behalf of all other CO-Owners.
11. **Assignments.** AGENT may assign its rights and delegate its duties under this Agreement without OWNER'S consent, provided that the assignee agrees to assume and perform every covenant and term of this Agreement applicable to AGENT.
12. **Entire Agreement.** This Agreement and any written and signed addenda or exhibits attached hereto constitute the entire Agreement between the parties. Any changes or modifications must be in writing and signed by the parties. This Agreement shall be binding upon the parties, their heirs, administrators, executors, and successors and assigns. Any provision of this Agreement found invalid or in violation of any statute, rule, regulation, or common law shall be considered canceled, with the remaining provisions remaining valid and in effect.

- 13. Self-Showings.** Traditionally, when prospective tenants want to see a property, they call the property manager or landlord and schedule an in-person showing. This often requires a lot of back-and-forth communication, leaving the prospective tenant frustrated that they cannot see the property when it fits their schedule. To solve this problem, the AGENT may use technology that allows prospective tenants to tour the property independently and at their convenience without a leasing agent in attendance.
- 14. Termination.** If this Agreement terminates before, at the same time, or within 60 days after an expiring tenant lease agreement, OWNER shall be responsible for completing the security deposit disposition to the tenant or ex-tenant. All funds shall be distributed to OWNER within 60 days of the termination date.
- 15. Addendum Attached:**
- a) Schedule A - The Parties/OWNER Funds/Commencement Date
 - b) Schedule B – Management Plans
 - c) Schedule C – Direct Deposit Agreement Form
 - d) Schedule D – Owner Benefit Program (OBP)
- 16. Additional Terms.** The following additional terms are included:
- a) Initial Monthly Rent: _____
 - b) Pets: YES NO (Select one)
 - c) Yard Maintenance: Tenant Responsibility Hire Professional (Select one)
 - d) Condo Move-In and/or Move-Out Fee (**Please note if nothing is indicated, we assume Owner Pays**)
 - 1) **Move-In** Fee Amount \$ _____ Who Pays this Fee (mark with X) _____ Owner _____ Tenant
 - 2) **Move-Out** Fee Amount \$ _____ Who Pays this Fee (mark with X) _____ Owner _____ Tenant

IN WITNESS WHEREOF, the parties hereto hereby execute this Agreement on the date first above written.

By: _____ OWNER

By: _____ OWNER

By: _____ AGENT

Schedule A – The Parties/OWNER Funds/Commencement Date

This Schedule A forms part of the **Agreement** entered between **OWNER** and **AGENT**.

1. Parties

- a) **AGENT:** Del Val Realty and Property Management c/o Michel Lautensack
Tel: 610-240-98858 Email: MLautensack@delvalproperty.com

Del Val Realty & Property Management
49 E Lancaster Avenue, Suite 300
Malvern, Pa 19355

- b) **OWNER:**

OWNER's Name:

Entity Name:

2nd OWNER's Name:

OWNER's Notice (mailing) Address:

Phone:

Email:

Social Security or EIN:

Rental Address(es):

2. OWNER Funds

Minimum Funds Per Owner Account: \$500 (this is per owner not per property) (Para. 3a)

3. **Commencement Date:** On or about: _____

**** Please note this is the start date the Agent will begin billing OWNER ****

Schedule B – Management Plans

Please Check One

Silver “Lease Only” Plan

☐

- **Leasing Fee:** One month's rent or \$750, whichever is greater, for each 12-month lease.

Gold “FULL Service” Management Plan

☐

(Recommended rent price range is \$750 to \$2000)

- **Monthly Management Fee:** Eight percent (8.0%) of gross monthly rents collected or \$100, whichever is greater, and fifty percent (50%) of any Pet Rent.
- **Leasing Fee:** One month's rent or \$750, whichever is greater, for each 12-month lease.
- **Lease Renewal Fee:** \$250 (only paid if we participate in a new lease – not applicable if the lease automatically rolls over to a month-to-month situation)
- **New Account Set Up Fee:** \$200 one-time fee for new clients.
- **Section 8 Set-up fee:** \$200 for each section 8 tenant we onboard
- **Technology Fee:** \$10.00/Month
- **Del Val Guarantees**
 - 90-day Better than 100% Guarantee
 - 30 Day Lease Guarantee
 - 12 Month Tenant Guarantee
 - 100% satisfaction Monthly Agreement

Optional Account Add-on (See Schedule D)

- **Owner Benefit Package** - \$49.50/Unit/Month ☐ (Check if you want the OBP)

Platinum “All Inclusive” Management Plan

☐

(Recommended rent price range is \$2000 and above)

- **Monthly Management Fee:** Eleven percent (11%) of gross monthly rents collected or \$100, whichever is greater, and fifty percent (50%) of any Pet Rent.
- **Leasing Fee:** Fifty percent (50%) of one month's rent or \$750, whichever is greater, for each 12-month lease.
- **Lease Renewal Fee:** Included at no cost.
- **New Account Set Up Fee:** Included at no cost.
- **Section 8 Set-up fee:** Included at no cost.
- **Technology Fee:** Included at no cost.
- **Del Val Guarantees**
 - 90-day Better than 100% Guarantee
 - 30 Day Lease Guarantee
 - 12 Month Tenant Guarantee
 - 100% satisfaction Monthly Agreement

Optional Account Add-on (See Schedule D)

- **Owner Benefit Package** - \$49.50/Unit/Month ☐ (Check if you want the OBP)



Schedule C - Direct Deposit Agreement Form

I authorize Del Val Realty & Property Management to initiate automatic deposits to my account at the below financial institution.

Further, I agree not to hold Del Val responsible for any delay or loss of funds due to incorrect or incomplete information supplied by me or by my financial institution or due to an error on the part of my financial institution in depositing funds to my account.

This agreement will remain in effect until Del Val receives a written cancellation notice from me or my financial institution or until I submit a new direct deposit form.

Name of Financial Institution: _____

Routing Number: _____

Account Number: _____

Checking
☐

Savings
☐

Authorized Signature (Primary): _____ Date: _____

Authorized Signature (Joint): _____ Date: _____

Schedule D – Owner Benefit Program

\$49.50/Unit/Month

Owner Benefit Program



Rent Advance

Receive up to 12 months of rent in a lump sum upfront payment on qualified leases. Rent advance removes tenant repayment risk and provides owners a new liquidity source. Imagine getting \$10k, \$25k, or \$50k upfront on your rental property!



Rent Protection

Receive up to 2 months of rent income if your tenant defaults on their lease payments. Payable upon a court judgment.



Eviction Protection

Receive up to \$1,000 towards legal and court costs of an eviction when the tenant is screened and approved by Del Val Realty & Property Management. Payable upon a court judgment.



Pet Protection

Receive up to \$1,000 towards damage caused by an approved pet that exceeds the security and pet deposits. This coverage excludes pet damage caused by any service animal per Fair Housing Guidelines.



Real Estate Tax Assessment

Receive a **free annual real estate tax assessment** to determine if your property is over-assessed and you are paying too much in real estate taxes.



Rental Property Insurance Assessment

Receive a **FREE 30-minute review of your current and future insurance needs**. As a real estate investor, your needs are unique, and each property in your real estate portfolio requires the right insurance — so you are not faced with gaps in your insurance coverage. It is critically important that both you and your rental portfolio are fully protected to avoid a financial disaster.



5% Interest on Reserves

Del Val pays **5% per annum** for any reserve we hold on your behalf at the end of each month.



Real-Time Legislation Update

Knowledge is power! Get a summary of any Local, State, or Federal legislation that is proposed or pending that may impact your rental investments. Avoid getting surprised and receive continuous updates on the ever-changing laws and regulations affecting rental properties.



Quarterly Market and Asset Report

Our **Quarterly Market and Asset Report** provides an estimated market value of your property so you can track your equity and potential sale value.



CLIENT TESTIMONIAL

"Here is a quick shoutout to you about the Owner Benefit Program. Being able to tap into future rents is ideal for my wife and I. We have been using the program going into our second year now, and it is allowing us to become liquid enough to purchase other assets without refinancing any other properties. Thanks again for recommending this."

JEROME H.